

The logo for HyComm, featuring the word "HyComm" in a stylized font. "Hy" is in black and "Comm" is in red. The background of the entire page is a vibrant, abstract design with a color gradient from purple and pink at the top to blue and green at the bottom. It features a grid of dots, a large circular graphic with a grid, and various geometric shapes and lines.

HyComm Wireless Limited
華脈無線通信有限公司*

(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)

(Stock Code 股份代號 : 499)

中期報告 **2011**
INTERIM REPORT

*For identification purposes only
僅供識別

The Board of Directors (the "Board") of HyComm Wireless Limited (the "Company") presents the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 September 2011 together with comparative figures for the previous corresponding period are as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Six months ended 30 September	
		2011 HK\$'000 (unaudited)	2010 HK\$'000 (unaudited)
Turnover	3	4,338	4,020
Revaluation gain on investment properties		550	21,720
Other revenue	4	971	410
Other gains	4	995	1,524
Operating costs		(7,271)	(6,090)
Profit/(loss) from operations		(417)	21,584
Finance costs		(253)	(335)
Profit/(loss) before taxation	5	(670)	21,249
Taxation	7	—	—
Profit/(loss) for the period		(670)	21,249
Other comprehensive income			
Available-for-sale financial assets:			
— Changes in fair value during the period		(7,408)	(1,789)
— Realisation of changes in fair value on disposal		(995)	(1,518)
Other comprehensive income for the period, net of tax		(8,403)	(3,307)
Total comprehensive income for the period		(9,073)	17,942

	Notes	Six months ended 30 September	
		2011 HK\$'000 (unaudited)	2010 HK\$'000 (unaudited)
Profit/(loss) for the period attributable to:			
Owners of the Company		(683)	21,257
Non-controlling interests		13	(8)
Profit/(loss) for the period		(670)	21,249
Total comprehensive income for the period attributable to:			
Owners of the Company		(9,086)	17,950
Non-controlling interests		13	(8)
Total comprehensive income for the period		(9,073)	17,942
		HK cents	HK cents
Earnings/(loss) per share	8		
Basic		(0.14)	4.26
Diluted		N/A	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at	
	Notes	30 September 2011 HK\$'000 (unaudited)	31 March 2011 HK\$'000 (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties	9	112,250	111,700
Available-for-sale financial assets	10	6,479	15,668
		118,729	127,368
Current assets			
Trade and other receivables	11	18,218	1,368
Cash and cash equivalents		190,809	245,969
		209,027	247,337
Current liabilities			
Other payables and accrued charges	12	1,385	1,661
Bank borrowings	13	23,236	23,743
		24,621	25,404
Net current assets		184,406	221,933
Total assets less current liabilities		303,135	349,301
Non-current liabilities			
Other payables	12	—	37,093
Deferred tax liabilities		10,435	10,435
		10,435	47,528
NET ASSETS		292,700	301,773
CAPITAL AND RESERVES			
Share capital	14	49,928	49,928
Reserves		242,725	251,811
Total equity attributable to owners of the Company		292,653	301,739
Non-controlling interests		47	34
TOTAL EQUITY		292,700	301,773

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2011 (unaudited)

	Attributable to owners of the Company					Non-controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Surplus account HK\$'000	Fair value reserve HK\$'000	Accumulated losses HK\$'000		
At 1 April 2011	49,928	143,807	255,025	3,185	(150,206)	34	301,773
Total comprehensive income for the period	—	—	—	(8,403)	(683)	13	(9,073)
At 30 September 2011	49,928	143,807	255,025	(5,218)	(150,889)	47	292,700

For the six months ended 30 September 2010 (unaudited)

	Attributable to owners of the Company					Non-controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Surplus account HK\$'000	Fair value reserve HK\$'000	Accumulated losses HK\$'000		
At 1 April 2010	49,928	143,807	255,025	16,124	(179,784)	24	285,124
Total comprehensive income for the period	—	—	—	(3,307)	21,257	(8)	17,942
At 30 September 2010	49,928	143,807	255,025	12,817	(158,527)	16	303,066

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 September	
	2011 HK\$'000 (unaudited)	2010 HK\$'000 (unaudited)
Net cash generated from/(used in) operations	(20,145)	2,978
Net cash generated from/(used in) investing activities	(34,508)	142,719
Net cash used in financing activities	(507)	(501)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(55,160)	145,196
Cash and cash equivalents at beginning of period	245,969	62,129
CASH AND CASH EQUIVALENTS AT END OF PERIOD	190,809	207,325
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	190,809	207,345
Bank overdrafts	—	(20)
	190,809	207,325

Notes:

1 Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 September 2011 are unaudited but have been reviewed by the Audit Committee.

The interim condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with the Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's 2011 annual financial statements.

The accounting policies and method of computation adopted in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 March 2011 except as stated in note 2 below.

2 Adoption of new and revised Hong Kong Financial Reporting Standards

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2011.

HKAS 24 (Revised)	Related Party Disclosures
Amendment to HK(IFRIC)-Int 14	Prepayment of a Minimum Funding Requirement
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments
Third improvements to Hong Kong Financial Reporting Standards (2010)	

Amendment to HKAS 34 "Interim financial reporting" included in the third improvements to Hong Kong Financial Reporting Standards (2010) emphasises the existing disclosure principles in HKAS 34 and adds further guidance to illustrate how to apply these principles. Greater emphasis has been placed on the disclosure principles for significant events and transactions. Additional requirements cover disclosure of changes to fair value measurement (if significant), and the need to update relevant information from the most recent annual report. The change in accounting policy only results in additional disclosures.

The new HKFRS has no material impact on how the results and financial positions for the current and prior periods have been prepared or presented. Accordingly, no prior period adjustments is required.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

3 Segment information

The Group comprises the following main reportable segments:

- (i) Leasing of properties;
- (ii) Carpark management; and
- (iii) Loan financing.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different marketing strategies.

The accounting policies of the operating segments are the same as those described in the Group's financial statements for the year ended 31 March 2011.

The Group's turnover and results therefrom for the period by operating segment is analysed as follows:

	Turnover six months ended 30 September		Reportable segment profit six months ended 30 September	
	2011 HK\$'000 (unaudited)	2010 HK\$'000 (unaudited)	2011 HK\$'000 (unaudited)	2010 HK\$'000 (unaudited)
Leasing of properties	780	855	610	805
Carpark management	3,267	3,130	439	469
Loan financing	291	35	260	25
	4,338	4,020	1,309	1,299
Unallocated other revenue			971	419
Gain on disposal of available-for-sale financial assets			995	1,513
Surplus arising from revaluation of investment properties			550	21,720
Finance costs			(253)	(335)
Unallocated corporate expenses			(4,242)	(3,367)
Profit/(loss) for the period			(670)	21,249

During the period, the Group has been operating principally in Hong Kong.

4 Other revenue and other gains

	Six months ended 30 September 2011	
	HK\$'000	2010 HK\$'000
	(unaudited)	(unaudited)
Other revenue		
Bank interest income	971	410
Other gains		
Gain on disposal of available-for-sale investments	995	1,514
Net gain on foreign exchange	—	10
	995	1,524

5 Profit/(loss) before taxation

	Six months ended 30 September 2011	
	HK\$'000	2010 HK\$'000
	(unaudited)	(unaudited)
Profit/(loss) before taxation is arrived at after charging:		
(a) Staff cost		
Salaries, bonus and awards (including directors' emoluments)	1,815	1,123
Contributions to defined contribution plan	76	52
	1,891	1,175
(b) Other items		
Operating lease charges in respect of rented premises	3,187	2,020
and after crediting:		
Rental income, net of outgoings	674	1,776

6 Finance costs

	Six months ended 30 September	
	2011	2010
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest expenses on:		
Bank borrowings wholly repayable within five years	—	15
Bank borrowings not wholly repayable within five years	130	136
Other borrowings	123	184
	253	335

7 Taxation

No provision for Hong Kong profits tax for the six months ended 30 September 2011 and 30 September 2010 as the Group did not generate any assessable profits arising in Hong Kong during the period.

8 Earnings/(loss) per share

The calculation of basic loss per share for the six months ended 30 September 2011 is based on the loss attributable to owners of the Company of approximately HK\$683,000 (2010: profit of HK\$21,257,000) divided by weighed average number of 499,276,680 shares (2010: 499,276,680 shares).

No diluted earnings/(loss) per share is presented for the six months ended 30 September 2011 and 30 September 2010 as the Company did not have any dilutive potential ordinary shares.

9 Investment properties

	HK\$'000
Fair value	
At 1 April 2010 (audited)	79,980
Fair value adjustments	31,720
	<hr/>
At 31 March 2011 and 1 April 2011 (audited)	111,700
Fair value adjustments	550
	<hr/>
At 30 September 2011 (unaudited)	112,250

10 Available-for-sale financial assets

	As at	
	30 September	31 March
	2011	2011
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Available-for-sale equity securities listed in Hong Kong and stated at market value (Note)	6,479	15,668

Note: The listed securities are measured at fair value based on quoted market prices.

11 Trade and other receivables

	As at	
	30 September	31 March
	2011	2011
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Trade receivables (Note (ii))	1,288	749
Loan receivables (Note (ii) (iii) (iv))	16,000	—
Deposits and prepayments	847	619
Loan interest receivables	83	—
	18,218	1,368

Notes:

- (i) The Group maintains defined credit policies. Rental receivables from tenants and service income receivables from customers are payable on presentation of invoices. The aging analysis of trade receivables is as follows:

	As at	
	30 September	31 March
	2011	2011
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Current	—	—
0–30 days	662	619
31–90 days	626	130
	1,288	749

- (ii) Pursuant to a loan agreement dated 21 July 2011, the Group granted to the borrower an unsecured loan facility. The carrying amount of the loan is HK\$6,000,000 as at 30 September 2011.
- (iii) Pursuant to a loan agreement dated 8 August 2011, the Group granted to the borrower a loan facility secured by joint and several guarantee of two directors of the borrowers. The carrying amount of the loan is HK\$5,000,000 as at 30 September 2011.
- (iv) Pursuant to a loan agreement dated 11 August 2011, the Group granted to the borrower a loan facility is secured the following:
- (a) a charge over shares of a subsidiary of the borrower;
 - (b) personal guarantee by a director of the borrower; and
 - (c) a charge over certain properties located in the PRC.

The carrying amount of the loan is HK\$5,000,000 as at 30 September 2011.

12 Other payables and accrued charges

	As at	
	30 September	31 March
	2011	2011
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Accrued charges	1,384	1,661
Other payables — within one year	1	—
	1,385	1,661
Other payables — more than one year but not exceeding five years (Note)	—	37,093
	1,385	38,754

Note: The amount approximately HK\$37,093,000 as at 31 March 2011 is the outstanding balance of the consideration payable together with the accrued interests for the acquisition of a subsidiary of the Group. The balance was fully repaid during the six months ended 30 September 2011.

13 Bank borrowings

	As at	
	30 September 2011 HK\$'000 (unaudited)	31 March 2011 HK\$'000 (audited)
Bank loans, secured	23,236	23,743
Carrying amounts of bank loans that contain a repayment on demand clause are repayable as follows:		
Within one year	1,024	1,020
More than one year, but not exceeding two years	1,036	1,035
More than two years, but not exceeding five years	3,177	3,183
More than five years	17,999	18,505
	23,236	23,743

14 Share capital

	As at	
	30 September 2011 HK\$'000 (unaudited)	31 March 2011 HK\$'000 (audited)
Authorised:		
20,000,000,000 ordinary shares of HK\$0.1 each (31 March 2011: 20,000,000,000 ordinary shares of HK\$0.1 each)	2,000,000	2,000,000
Issued and fully paid:		
499,276,680 ordinary shares of HK\$0.1 each (31 March 2011: 499,276,680 ordinary shares of HK\$0.1 each)	49,928	49,928

15 Related party transactions

The Group had the following related party transactions during the six months ended 30 September 2010:

	Six months ended 30 September 2011 HK\$'000 (unaudited)	2010 HK\$'000 (unaudited)
Interest expenses payable to a related party	—	184

The interest expenses were payable to the spouse of Mr. Choi Chiu Fai, Stanley, who was an executive director and the deputy chairman of the Company and was resigned on 1 October 2010.

16 Financial risk management

Exposure to credit, liquidity, interest rate and equity price risk arises in the normal course of the Group's business.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 March 2011.

There have been no changes in the risk management policies since year end.

(a) *Credit risk*

The maximum exposure to credit risk, without taking account of any collateral held, is represented by the carrying amount of each financial asset in the station of financial position after deducting any impairment allowances.

(b) *Liquidity risk*

Compared to year end, there was no material change in the contractual undiscounted cash flow for financial liabilities except for the early settlement of other payables as mentioned in note 12 to the financial statements.

(c) *Interest rate risk*

The Group's interest rate risk arises primarily from bank deposits and bank borrowings. These deposits and borrowings bear interest at variable rates expose the Group to cash flow interest rate risk and fair value interest rate risks, respectively. Compared to year end, there was no material changes in the Group's interest rate profile.

(d) *Equity price risk*

The Group is exposed to equity price changes arising from equity investments classified as available-for-sale financial assets.

(e) *Fair values*

There were no transfers between levels of the fair value hierarchy used in measuring fair value of financial instruments during the six months ended 30 September 2011.

During the six months ended 30 September 2011, there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities.

During the six months ended 30 September 2011, there were no reclassification of financial assets.

INTERIM DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2011 (2010: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

During the six months ended 30 September 2011, the Group was principally engaged in the business of property investment, provision of loan financing and leasing of car parking spaces.

Business prospect and review

For the six months ended 30 September 2011, the Group recorded a turnover of HK\$4,338,000 (2010: HK\$4,020,000), which was represented by the rental income of HK\$780,000, leasing of car parking spaces of HK\$3,267,000 and provision of loan financing of HK\$291,000. The Group recorded a loss attributable to owners of the Company of HK\$683,000 as compared with profit of HK\$21,257,000 recorded for the last corresponding periods period in 2010.

During the period under review, there were various uncertainties in the global economic condition. For the rest of 2011, it is expected that global and local markets will continue to be volatile. The management will continue to focus on development of existing principal businesses of leasing of properties, carpark management and loan financing, which all provided a stable income stream to the Group.

Meanwhile the Group will also continue to seek for business opportunities so as to generate greater value for the shareholders. The Directors are optimistic about the future business development of the Group and will continue to implement well-established strategies to enhance the Company's value and to bring outstanding return to the shareholders.

Liquidity and financial review

The Group has bank and cash balance (including time deposits) of approximately HK\$190,809,000 as at 30 September 2011 (31 March 2011: HK\$245,969,000). The Group's major liability is bank borrowings. The outstanding balance of bank borrowings at 30 September 2011, amounted to approximately HK\$23,236,000.

The Group's gearing level (total debts to total assets) was 10.7% (31 March 2011: 19.5%) as at 30 September 2011. The bank borrowings outstanding as at 30 September 2011 are secured by a property held by the Group and denominated in Hong Kong dollar only. With bank and cash and other current assets as well as the Group's available banking facilities, the Group has sufficient financial resources to satisfy its financial commitments and working capital requirements.

Contingent liabilities and capital commitments

As at 30 September 2011, the Group did not have any material contingent liabilities and capital commitments.

Employees

As at 30 September 2011, the Group had 10 staff. In addition to the basic salary, employees are rewarded with performance-related bonuses, other staff welfare and also a share options scheme will be made available to certain staff of the Group at the discretion of the Board.

DIRECTORS' INTEREST IN SHARES

Save as disclosed below, as at 30 September 2011, none of the directors, the chief executive and their associates of the Company had any interests and short positions in the shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which have been notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities transactions by Directors of Listed Companies (the "Model Code") of the Listing Rules on the Stock Exchange.

Name of director	Long position/ Short position	Number of Ordinary Shares held	Percentage of the Company's issued share capital
As at 30 September 2011			
Mr. Kong Lingbiao	Long Position	60,000,000	12.02%

SHARE OPTIONS

At a special general meeting held on 15 July 2002, the shareholders of the Company approved to terminate the old share option scheme and adopted the new share option scheme ("New Scheme") on 9 September 2002.

The primary purpose of the New Scheme is to provide incentives to directors and eligible employees and it remains in force for a period of 10 years commencing on 9 September 2002. Under the New Scheme, the directors may, at their absolute discretion, invite any person belonging to any of the following classes of participants to take up options to subscribe for shares in the Company:

- (i) any employees, executives (including any executive directors but excluding any independent non-executive directors and non-executive directors), managers and consultants of the Company, any of its subsidiaries ("Subsidiaries") or any entity ("Invested Entity") in which any members of the Group holds an equity interest;
- (ii) any non-executive directors (including independent non-executive directors) of the Company, any Subsidiaries or any Invested Entity;
- (iii) any suppliers of goods or services to any members of the Group or any Invested Entity;
- (iv) any customers of the Group or any Invested Entity;
- (v) any persons or entities that provide research, development or other technological support to the Group or any Invested Entity;
- (vi) any shareholders or any members of the Group or any Invested Entity or any holders of any securities issued by any members of the Group or any Invested Entity;
- (vii) any advisors (professional) or consultants to any area of business or business development of any members of the Group or any Invested Entity; and
- (viii) any joint venture partners or business alliances that co-operate with any members of the Group or any Invested Entity in any area of business operations or development.

The total number of shares in respect of which options may be granted under the New Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time without prior approval from the Company's shareholders. The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5,000,000 must be approved in advance by the Company's shareholders.

Options granted must be taken up within 21 days of the date of grant, upon payment of HK\$1 per option. Options may be exercised at any time from the date of offer of the share option to a date to be determined and notified by the directors or, in the absence of such determination, the earlier of the date on which the options lapse or the 10th anniversary of the date of grant. The exercise price is determined by the directors of the Company, and will not be less than the higher of the closing price of the Company's shares on the date of grant, the average closing price of the shares for the five business days immediately preceding the date of grant, and the nominal value of the Company shares.

There were no outstanding options granted under the New Scheme since its adoption and at the end of the period. In addition, there were no options granted to, or outstanding in respect of the old share option scheme at the balance sheet date.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

As at 30 September 2011, none of the directors of the Company had any personal interests in share options to subscribe for shares in the Company granted under the share option schemes of the Company.

No share options were granted to, or exercised by, any directors during the period.

Save as disclosed above, at no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. In addition, none of the directors, or their spouses or children under the age of 18 had any rights to subscribe for securities of the Company or had exercised any such rights during the period.

SUBSTANTIAL SHAREHOLDERS

In addition to the interests of directors under the heading “Directors’ Interests in Shares” above, the substantial shareholders register maintained by the Company pursuant to section 336 of Part XV of the SFO discloses that the following shareholders had an interest representing 5% or more of the issued share capital of the Company as at 30 September 2011:

Long Positions

Name	Capacity	Number of shares	Approximate percentage of issued shares held
Billion Gain Development Limited (Note 1)	Beneficial owner	94,000,000	18.83
Regal Power Investments Limited (Note 2)	Beneficial owner	88,500,000	17.72
Solar Fortune Investments Limited (Note 3)	Beneficial owner	60,000,000	12.02
Joy Glory Limited (Note 4)	Beneficial owner	42,000,000	8.42

Notes:

1. Billion Gain Development Limited is wholly and beneficially owned by Ms. Beh Yong Shin who is also a director of Billion Gain Development Limited.
2. Regal Power Investments Limited is wholly and beneficially owned by Mr. Chan Yuen Ming, who is also a director of Regal Power Investments Limited.
3. Solar Fortune Investments Limited is wholly and beneficially owned by Mr. Kong Lingbiao, who is a director of Solar Fortune Investments Limited and the chairman and an executive director of the Company.
4. Joy Glory Limited is wholly and beneficially owned by Mr. Lau Chi Yuen, Joseph.

Save as disclosed above, the Company has not been notified of any other interests representing 5% or more of the issued share capital of the Company as at 30 September 2011.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the period.

CORPORATE GOVERNANCE

The Board has complied with the requirements of the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited, except for the following deviations.

CG Code Provision A4 states every director should be appointed for a specific term and be subject to retirement by rotation at least once every three years. According to the Company's bye-laws, at every annual general meeting, one third of the directors for the time being (or if their number is not a multiple of three, the number nearest to but not less than one third) shall retire from office by rotation. The Board considers that sufficient measures will be taken to ensure the corporate governance practice of the Company are not less than those in the CG Code.

CG Code Provision B.1.1 states that companies shall establish a remuneration committee with specific written terms of reference which deal clearly with its authority and duties and a majority of the members of the remuneration committee should be independent non-executive directors. The Board is in the opinion that establishment of a remuneration committee as required by this provision does not really provide benefit after due consideration of the size of the Group and the associated costs involved.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS ("MODEL CODE")

The Company has adopted the Model Code as the Company's code of conduct for dealings in securities of the Company by the directors. The Company has made enquiries with the directors that they have complied with the Model Code throughout the period.

AUDIT COMMITTEE REVIEW

The audit committee of the Company comprises of three independent non-executive directors. The primary duties of the audit committee are review and advise on the accounting principles and practice adopted by the Group, auditing, financial reporting process and internal control system of the Group, including review of the Group's unaudited interim accounts for the six months ended 30 September 2011.

By Order of the Board
Kong Lingbiao
Chairman

Hong Kong, 28 November 2011

As at the date thereof, the executive directors of the Company are Mr. Kong Lingbiao, Mr. Liu Shun Chuen and Mr. Yeung Sau Chung, the independent non-executive directors are Mr. Ng Wai Hung, Mr. Wu Wang Li and Mr. Jacobsen William Keith.

HyComm

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